



**COUNCIL OF
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NOTE

From : The Commission
To : Delegations

Subject : Commission Communication on Investing in the Development of Low Carbon
Technologies (SET-Plan)
- Information from the Commission

Delegations will find attached an information note from the Commission services on the above-mentioned topic.

Investing in the Development of Low Carbon Technologies (SET-Plan)
Information note from the Commission services

The Communication was adopted by the Commission on 7 October 2009 (COM/2009/519), accompanied by the Technology Roadmap 2010-2020 (SEC/2009/1295), an analysis of current R&D spending (SEC/2009/1296) and an impact assessment (SEC/2009/1297).

Its scope is investing in an accelerated development of low carbon technologies by effectively implementing the SET-Plan, the technology pillar of the EU's energy and climate policy. It sets out a blueprint for a sharing of risks and pooling of resources that will be needed to address one of the grand challenges of the 21st Century.

With today's level of knowledge, the Commission believes that investment in the Union has to increase from the current €3 b per year to around €8 b per year to effectively move forward the SET-Plan. This would represent an additional investment, public and private, of €50 b over the next 10 years.

The Communication presents:

- concrete and costed technology roadmaps (2010-2020) for the SET-Plan European Industrial Initiatives: Wind, Solar, Biofuels, Carbon Capture and Storage (CCS), Nuclear Fission, Smart Grids and Fuel Cells and Hydrogen;
- a costed 'market activation' roadmap (2010-2020) for energy efficiency: SmartCities;
- an estimation of the investments needed in basic research and to support the European Energy Research Alliance of national energy research centres;
- the sources to finance these roadmaps:
 - i. the main ones - industry and Member States;
 - ii. EU budget, current and future financial perspectives;

- iii. European Energy Programme for Recovery; and
 - iv. EU Emissions Trading Scheme – e.g. the NERs300 scheme for demonstration projects;
- the existing financing instruments, mainly those of the European Investment Bank (EIB).

The Communication proposes:

- to increase the resources dedicated to energy research;
- to focus existing Community programmes to support the SET-Plan initiatives;
- to launch the European Industrial Initiatives (EIIs) in 2010;
- to engage Member States in the governance and implementation of the EIIs, according to a variable geometry joint programming approach in which sovereignty over national research funding is preserved;
- to develop new instruments to support large scale demonstration projects that carry significant technology risk but will at the same time operate in the market, by combining grants; loans and guaranties;
- to reinforce the financial instruments involving the EIB Group and to progressively develop a more coherent financing framework for low carbon technologies in Europe; and
- to strengthen international cooperation.